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Eleventh session

SUMMARY RECORD OF THE 11th MEETING

Held at the Vienna International Centre, Vienna,
on Friday, 29 October 1993, at 3 p.m.

President: Mrs. MACHADO QUINTELLA (Brazil)

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The meeting was called to order at 3.05 p.m.

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14 New concepts and approaches for cooperation in industrial development in conformity with Article 2 (c) of the Constitution (continued)	)	1. The <u>PRESIDENT</u> invited the Board to resume consideration of the Director-General's proposals on the future policy framework of UNIDO and its organizational and staff structure (IDB.11/31; IDB.11/CRP.7, CRP.8), and drew attention to draft decision IDB.11/L.34/Rev.1 entitled "Future policy framework of UNIDO and its organizational and staff structure - programme and budgets, 1994-1995", which reflected the results of informal consultations.
16 Preparatory arrangements for the fifth session of the General Conference (continued)	5 - 11	2. <u>Mr. NEUMANN</u> (Legal Adviser), at the request of one delegation, explained that one important legal implication of the draft resolution concerned the Board's revocation of its earlier decision IDB.1/Dec.11 relating to the number of Deputy Directors-General in the Organization. At the time of the conversion of UNIDO into a specialized agency, a report of the United Nations Secretary-General (document A/39/376 dated
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7 August 1984) had referred, *inter alia*, to the consensus that an equitable geographical representation should be maintained at all levels of the Secretariat and that for such purpose the competent organs of UNIDO should consider a senior staff structure of the new Organization including several Deputy Directors-General. Under the provisions of the UNIDO Constitution, in particular its Articles 11 and 14, the term "competent organs" should be interpreted to mean the Director-General and the Board, who would effect the appointment of Deputy Directors-General, and the Programme and Budget Committee, the Board and the General Conference, who would adopt the corresponding programme and budget. He accordingly wished to emphasize that the number of Deputy Directors-General should be determined by those organs taking due account of the relevant articles of the Constitution.

3. The draft decision was adopted.

4. Mr. LEE (Republic of Korea), speaking on behalf of the Group of 77, said that the Group attached great importance to the revitalization of UNIDO as a focal point for international cooperation to promote the industrial development of the developing world, and it therefore welcomed the decision just adopted by the Board. Given the increasing need for UNIDO's services in the field of industrial development, the restructuring of the Organization and the strengthening of its central coordinating role had been recognized as essential. The Group hoped that the supportive role of a revitalized UNIDO would further encourage the developing countries to make greater efforts to build up their own industries. Those efforts also required an appropriate international environment favourable to development in general, and in particular industrial development in the developing countries. It was incumbent upon all Member States to give their full political support to the Director-General and to provide UNIDO with the financial and technical resources it needed. The Group hoped that a revitalized UNIDO would enable the donor countries to adopt a more positive approach in that respect. It wished to encourage the Director-General to continue to consider positive and innovative measures for adapting the new structure of the Organization to the changing environment, with a view to further improving the overall efficiency and effectiveness of UNIDO.

PREPARATORY ARRANGEMENTS FOR THE FIFTH SESSION OF THE GENERAL CONFERENCE (*continued*) (IDB.11/L.33)

5. The PRESIDENT said that, in accordance with its decision IDB.11/Dec.34, the Board was to consider recommending themes on which the General Conference at its fifth session would focus its general debate. At a meeting of the Bureau of the Board with representation of regional groups earlier in the week it had been recommended, firstly, that the provisional agenda for the fifth session of the General Conference previously adopted by the Board in decision IDB.11/Dec.34 (see document GC.5/3, annex I, decision IDB.10/Dec.19) should be slightly amended, and, secondly, that the general debate should focus in particular on the theme "Industrial development in the changing global situation and the future policy framework of UNIDO". Those recommendations were reflected in a draft decision on preparatory arrangements for the fifth session of the General Conference, contained in document IDB.11/L.33, which she was submitting for consideration.

6. The draft decision was adopted.

7. Mr. ELOUNDOU MANI (Cameroon) said that the Cameroonian national committee set up for the purpose of preparing for the fifth session of the General Conference in Cameroon was liaising on site with UNIDO staff in order to be completely ready by the second half of November 1993.

8. His delegation was convinced that the Director-General's proposals regarding the future policy framework and organizational and staff structure of UNIDO would be adopted by the General Conference and that the funds made available by the structural reforms would be used for the re-deployment of priority projects in the developing countries. The objective of the restructuring of UNIDO should be to help the Organization better fulfil its role in promoting and accelerating the industrial development of the developing countries with a view to assisting in the establishment of a new international economic order, in conformity with Article 1 of the UNIDO Constitution.

9. International cooperation for development was a common duty of all States, and it was essential to promote industrialization by all possible concerted efforts, in accordance with the aims and principles set out in the Charter of the United Nations. In pursuing those efforts, the Organization needed to be able to consistently fulfil its role in the development, transfer and adaptation of technologies in the various sectors at the global, regional and national levels. He was convinced that, following their adoption, the restructuring proposals would lead to more effective action in the field, in close cooperation with decision-makers and economic operators, both public and private, with a view to achieving self-sustaining and integrated industrial development. To that end, a better distribution of the available human resources and a more rational use of those resources, more in keeping with the needs of the developing regions, was called for in the context of regional integration. Such regional cooperation would undoubtedly lead to greater cohesion among the regional and subregional programmes, more realistic project studies and better project monitoring in the field.

10. In its general debate, the Conference should focus on a number of themes including, with particular reference to the developing countries, the promotion of the private sector and privatization, the mobilization of financial resources for industrial development, the impact of structural adjustment measures on the industrialization of the developing countries, industrial development roles in the strategy of integrated regional cooperation, the integration of women in industrial development, and small- and medium-scale industries in global industrial development.

11. Finally, he wished to appeal to Member States to make a special effort to help the Organization complete its restructuring process quickly and to support the Director-General in his complex task. He wished also to express his Government's support for the Director-General's desire to make the "Yaoundé Declaration" the cornerstone of the new UNIDO.

REVIEW OF DECISION IDB.11/Dec.38 CONCERNING THE HOLDING OF A SIXTH SPECIAL SESSION

12. The PRESIDENT said that it had been proposed at a meeting of the Bureau with representatives of regional groups that the Board should take advantage of the present resumed session to adopt the provisional agenda for its twelfth session,

thus obviating the need for holding a sixth special session in December 1993 at Yaoundé or later in Vienna. On the basis of the list prepared by the Secretariat (IDB.11/CRP.9) of items that could be included in the provisional agenda of the twelfth session, and following consultations, she was submitting for consideration a draft decision contained in document IDB.11/L.35.

13. The draft decision was adopted.

ADOPTION OF THE REPORT OF THE ELEVENTH SESSION
(continued)

14. The PRESIDENT said that, since for obvious reasons it had been impossible to prepare a draft report on the work of the present resumed session for adoption at the current meeting, she wished to propose that the Board authorize the Rapporteur, with the assistance of the Friends of the Rapporteur, to prepare and finalize the report, which would be submitted as an addendum to the report of the Board on the work of its eleventh session (GC.5/4).

15. It was so decided.

STATEMENT BY THE DIRECTOR-GENERAL

16. Mr. DE MARIA Y CAMPOS (Director-General) said that at its current resumed session the Board had succeeded in reaching consensus on the most far-reaching changes to affect UNIDO since its establishment as a specialized agency. That achievement had called for compromise on the part of delegations in favour of the common good, and he believed that it augured well for the future ability of Member States to work together towards the common goal of revitalizing, restructuring and redirecting the programmes and activities of the Organization.

17. In particular, the Board had endorsed the proposals contained in document IDB.11/31 and recommended their approval by the General Conference; it had made possible the streamlining of the structure of UNIDO by its revocation of decision IDB.1/Dec.11; and it had drawn up a timetable for further meetings of the policy-making organs that should enable the required changes to be finalized by the beginning of the next biennium.

18. He wished to assure the Board that all the views expressed by delegations on the matter of UNIDO's reprioritization and restructuring had been carefully noted by the Secretariat and would be taken into consideration during the forthcoming stage of programme and budget preparation. He also wished to assure the Board that he was fully committed to the implementation of Article 11, paragraph 5, of the Constitution and would bear fully in mind the concerns expressed on the subject by Member States.

19. The Secretariat had already resumed the work of preparing a revised budget proposal. That document would conform to the financial rules and regulations and would set out the main changes to document GC.5/14 on the programme and budgets for 1994-1995, by major programme, programme and subprogramme. In particular, it would reallocate budgetary resources resulting from the elimination of the five departments and the offices of the Deputy Directors-General, and from other potential sources of savings, to high-priority objectives such as field representation.

20. He would like to pay tribute to the dedication of the staff, who had worked unflaggingly through the summer so that the crucial documents for the present resumed session would be ready, and he trusted that such dedication would continue in order that the remaining preparatory work could be done for the fifth session of the General Conference to be held at Yaoundé in December 1993. He also wished to express his thanks to the interpreters, translators and support staff whose services were relied on for meetings of the policy-making organs.

21. The outcome of the present resumed session was the culmination of months of work by all concerned. A significant milestone in the history of UNIDO had been passed, and one could look forward to a UNIDO with a much brighter future than its immediate past, an organization that would be recognized for its capacity for self-renewal and, soon, for its importance and effectiveness in the task of supporting the developing countries.

22. He would like to begin consultations in the coming weeks for a possible Yaoundé Declaration, which should be a straightforward one but should become as well-known in the world of industrial development as the Lima Declaration. The General Conference session would provide an opportunity to draw world attention to the far-reaching changes that were taking place as a result of the globalization of industry and to the major policy changes that were occurring in most developing countries and having an impact on their industrial development. It would also be an occasion to register the international community's concern that the industrialization of the developing countries had fallen short of earlier expectations and that certain gaps, for example in the application of new technologies, were to the detriment not only of developing countries but also of the global economy. The Yaoundé Declaration could be a call for action in those areas that were the focus of the development objectives agreed on at the current resumed session. Furthermore, since the General Conference session would be the first UNIDO General Conference session in Africa, it would be an opportunity to highlight the special needs of the least developed countries, particularly those of Africa, and the importance of mobilizing financial resources for that region.

23. The implementation of the proposed reforms and their full impact on UNIDO must be properly positioned in the longer-term context. All manner of hurdles were still to be overcome. Nevertheless, all change involved risk, and paralysis was the most risky of all strategies. The ice had now been broken, thanks to the political will of Member States.

SUSPENSION OF THE SESSION

24. The PRESIDENT said that, in accordance with the decision just adopted as contained in document IDB.11/L.34/Rev.1, the Board would again resume its eleventh session immediately after the conclusion of the additional session of the Programme and Budget Committee to take place on 22 November 1993 for the purpose of considering the Director-General's revised proposals for the programme of work and related estimates for the biennium 1994-1995.

25. After the customary exchange of courtesies, she declared the session suspended.